



CCT



consolidated cash flow statement

Year ended 31 December 2005

HK\$ million	Notes	2005	2004 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		131	139
Adjustments for:			
Interest on bank loans and other borrowings	7	8	2
Interest on convertible notes	7	52	53
Interest income	5	(6)	(1)
Depreciation	6	77	83
Recognition of prepaid land lease payments	6	1	2
Amortisation of goodwill	6	—	2
Impairment of goodwill	6	—	1
Amortisation of intangible assets	6	30	30
Bad and doubtful debt provisions on trade receivables	6	14	3
Bad and doubtful debt provisions on other receivables	6	—	3
Write-off of deferred development costs	6	9	15
Loss/(gain) on disposal of items of property, plant and equipment, net	6	1	(1)
Gain on disposal of subsidiaries	6	—	(20)
Provision for slow-moving and obsolete inventories	6	4	33
Write-down of inventories to net realisable value	6	1	3
Decrease in fair value of convertible notes	7	(6)	—
Operating profit before working capital changes		316	347
Increase in inventories		(104)	(54)
Increase in trade and bills receivables		(83)	(195)
Increase in prepayments, deposits and other receivables		(34)	(7)
Increase in trade and bills payables, and other payables and accruals		86	132
Cash generated from operations		181	223
Interest received		6	1
Interest paid		(58)	(53)
Hong Kong profits tax paid		(11)	(14)
Net cash inflow from operating activities		118	157

HK\$ million	Notes	2005	2004 (Restated)
Net cash inflow from operating activities		118	157
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(161)	(131)
Proceeds from disposal of items of property, plant and equipment		1	2
Additions to intangible assets	18	(55)	(50)
Disposal of subsidiaries	33	—	(36)
Decrease in pledged time deposits		24	5
Net cash outflow from investing activities		(191)	(210)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		117	148
New/(repayment of) trust receipts, net		(2)	102
Repayment of bank loans		(43)	(224)
Capital element of finance lease rental payments		(2)	(1)
Net cash inflow from financing activities		70	25
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3)	(28)
Cash and cash equivalents at beginning of year		422	450
CASH AND CASH EQUIVALENTS AT END OF YEAR		419	422
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	23	387	347
Non-pledged time deposits with original maturity of less than three months when acquired	23	32	75
		419	422